

## OPERATING RESERVES FUND

### *Finance and Information Services Department*

#### PROGRAM OVERVIEW

The Operating Reserves Fund is used to account for money set aside for the General Fund operating reserve, the building permit reserve, and the LEOFF 1 retiree reserve. According to financial policies, the City will maintain General Fund reserves at a level equal to or greater than 10% of the total General Fund budgeted revenue, excluding the beginning fund balance, building permit revenue, and any significant one-time revenue. For 2003-04 budget, this reserve was temporarily lowered to 8.5% to balance the General Fund budget and will be restored to 10% in the 2005-2006 biennium.

The building permit reserves are set aside to provide for completion of building permit responsibilities in the event of a decline in development activity.

The LEOFF 1 retiree reserve was transferred to this fund in 1998 and reflects the General Fund's liability associated with police officers and firefighters in the LEOFF 1 retirement system.

#### BUDGET OVERVIEW

##### REVENUES

	1999-2000 Actual	2001-2002 Budget	2001-2002 Estimate	2003-2004 Budget
Beginning fund balance	\$3,693,950	\$5,264,829	\$5,300,754	\$6,050,421
Transfers from General Fund	915,098	680,900	749,667	0
<b>TOTAL REVENUES</b>	<b>\$4,609,048</b>	<b>\$5,945,729</b>	<b>\$6,050,421</b>	<b>\$6,050,421</b>

##### EXPENDITURES

	1999-2000 Actual	2001-2002 Budget	2001-2002 Estimate	2003-2004 Budget
Operating reserve	\$0	\$4,680,227	\$0	\$4,143,158
Operating reserve transfer to General Fund	0	0	0	537,069
Building permit reserve	0	912,600	0	912,600
LEOFF 1 retiree reserve	0	352,902	0	457,594
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$5,945,729</b>	<b>\$0</b>	<b>\$6,050,421</b>